

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: HB 1198 HLS 10RS 1315

Bill Text Version: REENGROSSED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Table with 2 columns: Information and Author/Analyst. Row 1: Date: May 18, 2010 7:58 AM, Author: KATZ. Row 2: Dept./Agy.: Social Services, Analyst: Patrice Thomas. Row 3: Subject: Louisiana Rehabilitation Services Transfer.

SOCIAL SERVICES DEPT RE +\$100,000 SD EX See Note Page 1 of 2
Provides for the transfer of functions of Louisiana Rehabilitation Services from the Department of Social Services to the Louisiana Workforce Commission and the Department of Health and Hospitals.
Proposed law transfers the office of Louisiana Rehabilitation Services from the Department of Social Services to the Louisiana Workforce Commission and transfers certain programs in the office of Louisiana Rehabilitation Services to the Department of Health and Hospitals, Office for Aging and Adult Services. Proposed law further provides for the following: (1) the Louisiana Workforce Commission provide Vocational Rehabilitation services, Independent Living Part B program,Independent Living for Older Blind program, Blind Services and Blind Vendor Trust Fund under the Rehabilitation Act and the Randolph-Sheppard Act; (2) the State Personal Assistance program, the Community and Family Support program, and the Traumatic Head and Spinal Cord Injury Trust Fund is transferred to the Office for Aging and Adult Services with the Department of Health and Hospitals; (3) the Louisiana Commission for the Deaf and the Traumatic Head and Spinal Cord Injury Trust Fund Advisory Board is transferred to the Department of Health and Hospitals. Proposed law provides for technical corrections, transfer of contracts, and the administrative rules contained in the Louisiana Administrative Code.

Table with 7 columns: Category, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 5 -YEAR TOTAL. Rows include EXPENDITURES (State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, Annual Total) and REVENUES (State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, Annual Total).

EXPENDITURE EXPLANATION
The Workforce Commission anticipates one-time expenses of \$469,000 related to the physical and IT moves, though all of it will be absorbed in current budgets. The transfer of functions to the Department of Health and Hospitals is anticipated to result in no additional expenditures for FY 11. This legislation may result in savings from efficiencies and economies of scale in future fiscal years. This legislation does not eliminate any programs or services currently provided by the Louisiana Rehabilitation Services (LRS). This legislation transfers the office of LRS from the Department of Social Services (DSS) to the Louisiana Workforce Commission (LWC). Vocational Rehabilitation services, Independent Living Part B program, Independent Living for Older Blind program, Blind Services and Blind Vendor Trust Fund are transferred to LWC. In addition, State Personal Assistance program, the Community and Family Support program, and the Traumatic Head and Spinal Cord Injury Trust Fund are transferred to the Office for Aging and Adult Services (OAAS) within the Department of Health and Hospitals (DHH), and the Louisiana Commission for the Deaf and the Traumatic Head and Spinal Cord Injury Trust Fund Advisory Board to the Office of the Secretary within DHH. LRS currently has a budget of \$69.9 million (\$9.4 million SGF; \$53.2 million Federal; \$7.3 million Stat Ded; 10,000 IAT) and 363 authorized T.O. positions. The current match rate for LRS is 21.3% State and 78.7% Federal for Vocational Rehabilitation and 10% State and 90% Federal for Independent Living Older Blind. Reflected below is an explanation of how the office of LRS and certain functions within LRS will be transferred to the respective agencies along with funding sources.
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REVENUE EXPLANATION
As a result of this legislation, additional Title I Vocational Rehabilitation federal funds will be drawn down for transition cost related to move of LRS state office from DSS to LWC state office building. The Penalty and Interest Fund statutory dedication will be used as state match.

Senate Dual Referral Rules House
[] 13.5.1 >= \$100,000 Annual Fiscal Cost
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change
[] 6.8(F) >= \$100,000 Annual SGF Cost
[] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease
Robert E. Hosse
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LFO Staff Director



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CONTINUED EXPLANATION from page one:

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Louisiana Workforce Commission

Information provided by DSS indicates three programs and the respective funding of \$61,521,293 will be transferred to the LWC in FY 10/11 along with 325 T.O . These programs are: Independent Living Part B/Older Blind (\$52,455 SGF; \$1,201,037 Federal); Vocational Rehabilitation (\$8,530,989 State Match; \$219,130 Stat Ded.; \$49,920,956 Federal; \$10,000 IAT; 317 T. O.); and Blind Services (\$97,377 State; \$393,853 Federal; \$1,095,496 Stat Ded.; 8 T.O.). There are currently eight LRS regional offices and nine area offices located throughout the state. Five of these offices are housed in state-owned facilities and eleven are in non-state leased facilities. LWC will assume the operation of all of these facilities. LRS field offices will remain at their existing locations statewide and continue to provide the same level of service. Only the state office will be physically moved to LWC; all other offices will remain in current locations. However, the IT for all offices, including area and regional offices, will be moved to LWC.

The Workforce Commission anticipates one-time expenses of \$469,000 related to the physical and IT moves, though all of it will be absorbed in current budgets. The state office consists of about 42 employees and related equipment. The \$469,000 in expenses consists of bringing the existing LWC building into American with Disabilities Act (ADA) compliance (\$68,500), office and cubicle space renovation (\$121,000), pay out module development (\$107,000), network equipment for local offices (\$50,000), moving costs (\$50,000), filing system (\$60,000), moving phone lines (\$2,500), changing signage, stationary, business cards, etc., (\$10,000). The LWC expects to use \$100,000 in Penalty and Interest Funds to draw down an additional \$369,000 in federal funds through the Vocational Rehabilitation program to cover these expenses. Both the Penalty and Interest Fund and the Vocational Rehabilitation program already have enough budget authority available to accommodate these expenditures.

This primary impetus of this move was to consolidate services in similar areas to better serve clientele by allowing easier access to all state programs. However, in the future, potential savings could be realized by eliminating any duplication of effort, which would decrease the number of employees and/or the amount of physical space needed for future operations. To the extent that economies of scale are achieved and administrative savings result after the program begins operations within the LWC, any administrative savings realized will be used to increase client services in future fiscal years.

Department of Health and Hospitals

Information provided by DSS indicates four programs and the respective funding of \$6,304,521 and 8 T.O. will be transferred to DHH (Office of Aging and Adult Services - 4 T.O.; Office of the Secretary - 4 T.O.). These programs are: Community & Family Support,Personal Care Attendant (\$390,632 SGF); Traumatic Head and Spinal Cord (\$3,170,070 Stat Ded; 4 T.O.); and Louisiana Telecommunications for the Deaf (\$2,743,819 Stat Ded; 4 T.O.). DHH has indicated that the entire amount of funding and positions currently used by DSS to perform these functions will be needed to provide the same level of service to existing clients. There is also a possibility that funds from the Traumatic Head and Spinal Injury Cord Fund could be used as match to draw down additional federal dollars; however, this would require the establishment of a waiver program for that population and legislation to allow the funds to be used as match.

The Legislative Fiscal Office cannot determine the amount of any savings until a plan to integrate these services is developed by DHH, which identifies the most prudent way to maximize state and federal dollars. Furthermore, if a savings can be achieved, the decision of whether to utilize that savings to address current waiting lists will determine if an actual savings is realized. There is no anticipated material cost to the DHH due to the transfer of LRS programs.

Senate

Dual Referral Rules

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House

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